# BEFORE THE DIVISION OF WATER RIGHTS DEPARTMENT OF PUBLIC WORKS STATE OF CALIFORNIA

000

In the Matter of Revocation of Permit 1980 heretofore issued upon Application 3510 of Alice Hagar Tubbs allowing the appropriation of 18.18 cubic feet per second from the Sacramento River in Column County for Agricultural Furposes

000

DECISION A 3310 D 178

Decided Jamary 3, 1928 000

APPEARANCES AT HEARING HELD October 10, 1927

For Permittee
Alice Hagar Tubbs

R. S. Laughlin

EXAMINER: Everett N. Bryan, Deputy Cnief acting for Edward Hyatt, Jr., Chief of Division of Water Rights

000

### OPINION

On January 20, 1925, a permit was issued on Application 3310 allowing the permittee to appropriate for agricultural purposes 18.18 oubic feet per second direct diversion from the waters of the Sacramento River throughout the entire year with the understanding that diversions under the permit together with those under existing rights of permittee should not exceed the rate of one cubic foot per second continuous flow to eighty acres of irrigated land devoted to crops other than rice, and that where the water was to be used for the irrigation of rice the diversions would not exceed one cubic foot per second continuous flow to forty acres of irrigated land from the commencement of the irrigation season to August 1st and thereafter

should not exceed the rate of one cubic foot per second to fifty acres of irrigated land; provided however that in case of rotation the equivalent of such continuous flow allowance for any thirty day period might be diverted in a shorter time if there was no interference with other vested rights.

The applicant proposed the installation of two links centrifugal pumps by means of which the water was to be passed that an accordance ditches and conveyed to the place of use, which consisted of 1454.09 agrees located in Sections 10, 11, 15, 14 and 15, T 15 N, R 1 W, M.D.B. & M. By the terms of the permit construction work was to begin on or before June 1, 1925, thereafter to be prosecuted with reasonable diligence and to be completed on or before November 1, 1926 and complete beneficial use of the water was to be made on or before June 1, 1928.

On or about May 19, 1925, Mr. R. S. Laughtin of the law firm of Treadwell, Van Fleet and Laughlin requested an extension of time within which to commence construction work under the permit on the grounds that a determination of Section 11 of the Mater Commission Act regarding riperian rights was in prospect and that if the law was declared unconstitutional the permit would probably be withdrawn; that the Bubbs family ware in Europe and would not return for about six months and that even if they did go ahead under the permit, active work could not be commenced until after the family had returned.

After some discussion of the situation it was agreed that the time within which to companie the construction work encured be extended until June 1, 1920 and upon they 28, 1925 an order was issued to that effect.

On May 24, 1926 Mr. R. S. Laughlin called at the office of the Division of Water Rights and after explaining in some detail the reason for filing the application and why no construction work had so far resulted, presented a request for a further extension of one year within which to commence said construction.

Under date of May 26, 1926, a further extension of time was allowed the permittee to June 1, 1927 within which to commence the construction work under the permit.

In the letter of transmittal which accompanied the order of extension the permittee was informed that while it was the policy of this office not to allow two such extensions in the absence of unusual reasons therefor, after consideration of all the factors involved including the date specified in the original permit for completion of construction and completion of use, the requested extension had been granted. The permittee was further advised that no further extension in order to commence construction work could be allowed on this permit and that, if at the expiration of the extended time the permittee had not commenced construction work the application and permit could be superseded by a new filing, or it could be allowed to maintain its status awaiting the regular field inspection and subsequent action by the Division.

On June 15, 1927 permittee's representative again called at the offices of the Division and very urgently pleaded for a further extension of time to commence urging the pendency of a decision by the Supreme Court of the United States in the case of <u>Hurmin manus et al. v. Senthern California</u>
Edison Company as sufficient cause for such an extension.

On June 21, 1927 a formal petition was presented by permittee through her attorneys requesting a further extension of time within which to commence construction work under the permit.

The petition set forth the fact that the lands which were to be supplied with water were owned by the permittee and were all riparian to the Sacramento River and were therefore entitled to the use of the water applied for by virtue of their riparian location unless such right had been lost by reason of legislative enactments dealing with rights of riparian owners to water on their riparian lands.

Permittee further stated that the effect and validity of such enactments had never been finally determined by the courts and, pending such decisions, it was impossible for the permittee to know the extent and character of her rights; that there were cases then pending before the courts in which the questions had been presented and in which a ruling thereon might be secured.

The petition also set up the fact that it was the permittee's intention to subdivide and sell her lands and the irrigation system proposed was planned with that idea in view, but because of the present situation in regard to the sale of lands in that locality, and because of the large amount of irrigated land then available for development in that vicinity, it was both inexpedient and uneconomic to immediately proceed with the construction of the proposed works but that such action would be forced on the permittee by a refusal to extend the time therefor until it was reasonably possible for her to determine whether the unsettled and questionable status of her water rights forced her to depend entirely upon appropriated water and that the refusal to grant the requested extension

of time would unjustly throw the burden upon the permittee of determining complicated and questionable legal points prior to their final adjudication by the proper courts, and would force her either to prejudice her rights under the application filed or to make use of waters prior to the time they might be used to the best interests of herself and the state and would cause her unnecessary loss and hardship.

It was concluded that an extension to commence construction work in this particular case would be tantamount to an attempt to reserve a priority to permittee to enable her to determine whether the proposed appropriation was desirable and, if so, to swait some further date when extraneous conditions made consummation of use profitable. Hence under date of August 3, 1927 the permittee was advised that nothing had been found either in the petition or in the verbal representations made by Mr. Laughlin which would enable this office to allow the extension requested and, therefore, good cause not having been shown, the petition for an extension of time to begin construction work under Application 3310, Permit 1980 was denied.

Thereafter a hearing was set in accordance with Section 20 of the Water Commission Act (Chap. 586 Stat. 1913) of which the permittee was duly notified.

At the hearing the attorney for the permittee presented no oral testimony or evidence and in lieu thereof he was allowed a period of ten days within which to make whatever further showing he might desire.

Under date of November 1, 1927 this office was informed that the attorneys for the permittee had decided to file no further brief in the matter.

### PERMITTEE'S POSITION STATED

It appears that permittee is a riparian owner and as such prefers to stand upon her riparian rights and does not desire to make any beneficial use until some indeterminate future time. It further appears that permittee is doubtful of the efficacy of her riparian rights by virtue of Section 11 of the Water Commission Act wherein it is provided as follows:

"If any portion of the waters of any stream shall not be put to a useful or beneficial purpose to or upon lands riparian to such stream for any continuous period of ten consecutive years after the passage of this act, such nonapplication shall be deemed to be conclusive presumption that the use of such portions of the waters of such stream is not needed upon said riparian lands for any useful or beneficial purpose; and such portion of the waters of any stream so nonapplied, unless otherwise appropriated for a useful and beneficial purpose is hereby declared to be in the use of the state and subject to appropriation in accordance with the provisions of this act; \* \* \* "

Hence in 1923 permittee filed an application to appropriate, not because she desired to proceed and use water but because she desired to initiate an appropriative priority to fall back upon in the event it should be held that she had no riparian right which could be exercised. The purpose in filing this application is admitted to be that of initiating an appropriative priority which would be allowed to fail in the event that Section 11 should be held invalid. Only in the event that Section 11 should be held valid applicant contemplate the possibility of perfection of a right under her application.

The question then appears to be whether an applicant is entitled to have an application and permit indefinitely maintained by this office without any work being done thereunder and may receive extensions from time to time until some one else procures a final determination upon the constitutionality of a statute, in accordance with which determination applicant may or may not abandon the application.

### LITIGATION AS AN EXCUSE

Applicant apparently urges that pending litigation is an excuse and that a failure to construct may be excused on account of litigation.

There are cases wherein litigation has afforded an excuse for delays in the consummation of an appropriative right but none have been found by us or cited by applicant which would be applicable to such a case as the present.

In re Water Rights in Crab Creek and Moses Lake, (Wash.) 235 Pac. 37, 41, 42 involved a statutory adjudication of water rights under the Washington Water Code. The claim of appropriation of Ham, Yearsley and Ryrie was challenged upon the ground that work was not commenced within the period provided by law. The excuse for not commencing work was based upon the pendency of condemnation proceedings which were essential to obtain the site for the dam to be erected. As soon as a final determination of this suit was obtained the claimants started work. Thereupon opponents initiated a water code adjudication proceeding and also started an action to enjoin the building of the dam.

In view of the above litigation the court held that the rights of Ham, Yearsley and Ryrie were in good standing despite the long delay in commencing work and despite the discontinuance of work pending the further litigation which ensued after commencement of work.

The statute involved in this case provided that in case the appropriation is made for the purpose of storage, the appropriator must within three months after notice is posted, commence construction of works and that the work must be done diligently and prosecuted to completion unless delayed by the elements. Said the court:

"Respondents urge that delays in the actual work occasioned by litigation, especially if waged with the adverse claimant, must be excused. It seems to us that neither position is wholly correct. The first is too marrow; the second too broad. \* \* \* Condemnation for a site for an impounding dam or intake by an appropriator who does not own such a site is just as much matter incident to the enterprise to which the dam or intake is an essential as is the actual construction of the dam or intake. It would be simply idle to confer, as our statute does confer, upon the owner of nonriparian lands the right to condemn for such purpose if the time necessarily consumed in the condemnation must be entered in red on the ledger of diligence and thus defeat his right of priority by relation, which the statute as a whole was intended to give. \* \* \* \* \* \* It follows that the prosecution of the condemnation proceedings is a necessary part of the procedution of the work to completion in order to enable respondent to invoke the doctrine of relation. It follows further that, if respondent has prosecuted the condemnation for its dam site, 'diligently and continuously', the time so consumed must be considered as employed in construction work. In the nature of the case, it is time just as necessary to the work of impounding and diversion as is the time necessary for the actual physical construction of the dam. The condemnation suit, therefore, is not matter of excuse from the performance of the work, but is itself matter of performance. \* \* \* \* So long as the condemnation suit is prosecuted with reasonable diligence, then, however long it may take to complete the condemnation, the rights of the parties to the water must be measured as of the date when the condemner posted and filed his notice of appropriation, else the doctrine of relation can never exist where condemnation is necessary.

"In view of all this litigation, it cannot be said that Ham, Yearsley & Ryrie have not at all times been diligent in attempting to prosecute to completion the work necessary to make this appropriation good. The question of diligence in the physical construction of the work is to be answered, having in view the difficulties that are encountered in the construction, among which are the legal difficulties which are placed in the way and which must be overcome in order to perfect title to the water which is to be used. Under all the circumstances here shown, we cannot say that there has been any forfeiture of the rights by failure to comply with sections 3 and 4, Laws 1891, p. 528."

### In De Wolfskill v. Smith, 5 Cal. App. 175, 182, the court said:

"The court finds that the claimant did commence the work within sixty days after posting notice and presecuted it continuously until enjoined therefrom at the instance of defendant Smith on December 10, 1902, after Smith had settled upon the land, and that Smith fenced the land and prevented her from constructing the citem. Having capped the wells and enjoined appellant from entering upon the

land to complete the ditch, by means of which she sought to divert the water to the place of intended use, respondents are in no position to assert that appellant had failed to prosecute the work with diligence and become an actual appropriator."

It is interesting to note that Civil Code Section 1416 was amended in 1907 to provide that condemnation proceedings necessary to acquire water rights from adverse riparian cwners or sites for dams or power plants would excuse commencement of construction until after final judgment and likewise made actions to determine conflicting claims to the water sought an excuse. As amended in 1911, these provisions were omitted from this section. Of this provision it is said in 1 Wiel 416 (3rd Ed.):

"The California Legislature in 1907 enacted in a somewhat ambiguous amendment to the code that if the proposed appropriation will conflict with existing rights, the appropriator must within sixty days after posting notice, bring suit to have those rights settled, or to condemn them under the power of eminent domain, and that he shall have sixty days after final judgment in which to proceed with the construction work. A somewhat similar provision appears in the Montana Act of the same year. This new California provision was probably intended to favor new appropriators in case of delay due to litigation; but it would probably hinder them by forcing such litigation upon them whenever a possible conflict appears. The Montana act seems aimed expressly at the latter result, rather than the former: that is, to favor existing owners by making new appropriations more difficult, rather than to favor new appropriators by an extension of time. In 1911 the California section was amended, dropping the above provision."

As amended in 1911, Section 1416 of the Civil Code extended time to any city and county and incorporated cities and towns to make surveys and issue bonds.

Delay necessary to securing a federal right of way is excusable under Section 1422 of the Civil Code. (Wishon v. Globe Light & Power Co., 158 Cal. 137; Inyo Cons. Water Co. v. Jess, 161 Cal. 515).

In re Water Rights in Silvies River, (Ore.) 237 Pac. 322, 553 constituted a water code adjudication procedure under the Oregon Statute. The Silvies River Irrigation Company had filed notice and commenced construction work prior to the passage of the Oregon Water code in 1909 and in that year a suit was insti-

tuted with the result that the company was enjoined and prohibited from pursuing further work upon its project and work was further rendered impracticable by virtue of the pendency of the adjudication proceedings in this case. The litigation mentioned was held to have delayed the project and it was decreed that further time should be allowed to commence and also to complete.

It is obvious from the foregoing that wherein litigation has excused construction work, it has been wherein the litigation has interposed a legal prohibition upon that work or wherein the limits of various rights in conflict have been in process of definition. Also, it is evident that proceedings of a legal nature to secure necessary easements and rights to enable construction work without trespass have been deemed an excuse for delay.

The situation presented in the instant case is in striking contrast.

Therein there is no legal impediment whatsoever to the commencement of work.

The permit to construct and use has been granted, rights of access are owned by permittee, permittee has not been enjoined, permittee's right to proceed has not been challenged in any pending litigation. Permittee is free to proceed at any moment.

But permittee insists that her riparian rights are of doubtful status due to the provision of Section 11 of the Water Commission Act, quoted supra, and that litigation which may decide as to the validity of this provision and her riparian rights or cast enlightenment thereupon is now pending and that on account of this litigation, an extension to commence should be granted.

We fully appreciate that the convenience of permittee would be served by further extensions of time that permittee might better determine whether to proceed or not with the consummation of an appropriative water right. However, the Water Commission Act certainly does not contemplate that a permittee may reserve a priority indefinitely and be given repeated extensions of time to deter-

wiew of future contingencies. Also we deem it unnecessary to illustrate the obvious concept of the Water Commission Act, of statutory provisions prior thereto, and of the decisions of the courts, which is that an appropriator in order to be bona fide and have the benefit of the doctrine of relation must diligently proceed to completion of use and is excused only by delays which actually prevent work, not by delays which are of the would be appropriator's own choice.

The determination of the validity of Section 11 insofar as riparian rights are affected by non-use appears to us entirely incompetent, irrelevant and immaterial to the question as to whether an extension of time to commence should be granted. Such a determination in the instant case will at most serve only to assist the permittee in determining whether she desires to acquire an appropriative right. As well might we accept applications and issue permits and allow them to pend indefinitely upon representations that they are filed because the permittee does not know whether to proceed or not but will at some future time determine that matter. In other words can priorities be indefinitely withheld without commencement of work and until a permittee decides whether to proceed or not? We think not. We think it manifest by innumerable precedent that it is a fundamental principle of the appropriative doctrine, and has always been such, that a would be appropriator must continuously and diligently proceed or step aside and give others the opportunity to do so.

Furthermore, the only case which was called to our attention wherein the validity of Section 11, wherein it provides as above quoted, might be involved was that of Herminghaus et al v. Southern California Edison Company,

73 Cal. Dec. 1 which case was then before the Supreme Court of the United States on writ of certiorari but which case has since been dismissed by the Supreme Court. The Supreme Court of California in its decision did not pass upon the constitutionality of this provision and as to a somewhat kindred provision that a riparian owner is limited to what he reasonably needs as against a would be appropriator, the court declared that the facts of the case before it were such that the riparian owner reasonably needed the water claimed. The situation was that if the Supreme Court of the United States passed upon the validity of this kindred provision, then by inference some sort of a guess might be indulged as to what would have been the decision upon the non-use provision had it been in issue. If the decision had been in favor of the limitation to reasonable needs, it might be guessed that a decision would have been rendered in favor of the non-use clause and if the decision had been unfavorable it might be guessed that a decision would have been against the validity of the non-use clause. However, the Supreme Court of the United States has since refused to further entertain or consider the Herminghaus case and has not passed upon the questions determined by the Supreme Court of California.

> INPEASIBILITY OF PROJECT AT PRESENT TIME; CONDITIONS PRINCIPLES IN UNLIGHTED AND INCOMPEDITOR TO LOW ERRORLD

As a further ground for extension of time to commence, permittee urges that the present situation as to sales in the locality involved and the large amount of irrigated lands now available in the vicinity render it inexpedient and uneconomic for permittee to install its works and subdivide and sell its land. Such an urgency appears to be in the same category as that of litigation which affords no bar to permittee's construction work. It seems to be in conflict with a fundamental doctrine of appropriation to wit, that

construction work and beneficial use shall be prosecuted to completion by continuous and diligent endeavor in order that the benefits of relation to the date of initiation shall be secured. As well may it be contended that the filing of an application is the essential element in the maintenance of a priority, Briefly the law does not and never has allowed a priority by appropriation to be maintained without diligent consummation except as excused by causes actually prohibiting work and does not and never has permitted priorities to be held in abeyance awaiting favorable economic conditions. Departures from the rule of immediate and diligent prosecution of work except as excused by positive legal or physical prohibitions have only been allowed by specific statutory provisions such as recently enacted by the legislature in the matter of filings in furtherance of a state wide plan of water development, Chapter 286, Stats. of 1927. In general the policy of the law of appropriation is and has always been to facilitate developments by those who are ready and willing to immediately proceed and utilize water and has been opposed to reservations of priorities for contemplated utilization in the future when conditions may render utilization feasible. It has apparently been deemed in the public interest to foster immediate developments and not to hinder and prevent them by reservations in favor of developments which may or may not be undertaken at some indefinite future time.

## INSUFFICIENCY OF A NOTICE OR FILING TO RESERVE A PRIORITY INDEPTRIBELY

A great multitude of quotations and citations might be given but a few will serve to illustrate:

### Merritt v. City of Los Anceles, 162, Cal. 47:

"On July 20, 1905, he posted a notice of appropriation on Haiwee Creek claiming 500 miner's inches of the water for use on said land. Nothing further was done in pursuance of this notice

and, under Section 1419 of the Civil Code, it lapsed after sixty days, so far as subsequent bona fide claimants under valid notices were concerned. The lack of diligenes was so great that the court below was justified in holding, as the findings imply, that no rights ever accrued under this notice. (Senior v. Ancerson, 115 Cal. 504).

"On September 20, 1906, plaintiff posted at the same place another notice of appropriation of the same quantity of water from said creek for the same purpose. No work was ever done under this notice \* \* \* There was no proof of any survey or other work in compliance with this section. Some vague testimony of the making of a survey was introduced, but the date thereof was not stated. The claim under this notice appears to have been abandoned. At all events the court was justified in so finding.

"Another notice of appropriation was posted on February 10, 1908. Nothing appears to have been done in pursuance of it, and this claim also must be deemed to have been abandoned."

### DeWolfskill v. Smith, 5 Cal. App. 175, 181:

"Posting the notice of claim to the water does not constitute an appropriation. The Civil Code, Section 1416, provides that within 60 days the claimant must commence the construction of the works in which he intends to divert the water and must prosecute the work diligently and uninterruptedly".

In <u>Kimball v. Gearhart</u>, 12 Cal. 27, 30, 31, the following instructions were approved:

"If the jury believe that the plaintiffs, with the intention to appropriate this water, used reasonable diligence in following one step by another till the ditch was completed, their title to the water, though it was not perfected until the ditch was so far completed as to convey the water, will yet on completion date from the beginning of the wark.

"The mere act of commencing a ditch with the intention of appropriating the water of a stream, is not sufficient of itself to give a party any explusive right to the water of such stream.

"If the jury believe from the evidence, that plaintiffs or their predecessors in interest, did not, after locating and surveying their ditch, prosecute the work on it in good faith, and as fast as the nature of the work, and the state of the weather would reasonably permit, and that they had neglected the work upon it for an unreasonable length of time, immediately preceding the appropriation of the water in dispute by defendants, the verdict should be for the defendants.

"If the jury believe from the evidence, that the plaintiffs at the time they commenced the Yuba River Ditch, had not the pecuniary means requisite to complete the same in a reasonable time, and that they projected the said work, and claimed the water in dispute with a full knowledge of their said pecuniary inability to complete the same within a reasonable time, then plaintiffs cannot urge such want of pecuniary means as an excuse for not prosecuting said work with reasonable diligence, and completing it within a reasonable time.

### 1 Wiel 398 (3rd Ed.):

"#368. Object of Statutory Provisions. -- The early customs out of which the law of appropriation grew were based (as has already been discussed) on the principle that rights on the public domain were open to all, the first possessor being protected; and that all, also, should have an equal chance. As is said in Nevada etc. Co. v. Kidd, 37 Cal. 282 and in Union Mining Co. v. Dangoerg, 81 Fed. 73, they did not countenance anyone acting 'the dog in the manger'. Many attempted to secure monopoly of waters by marely posting notices or making a pretense at building canals, ditches, etc., and tried by this means to nold a right to the water against later cohers who come fide sought to construct the hockshary works for its use. From those conditions grew up a method of making an appropriation to apply specially to rival claimants while the construction work, often prolonged was going in. If the first comer bona fide and diligently prodecuted his work, his right in its completion related back to the very beginning of it; staerwise the others were preferred. This method of making the appropriation was, under the early decisions, substantially the same as that now prowided for this purpose, in the Civil Code of California. The provisions of the Civil Code of California are merely to fix the procedure whereby a certain definite time might be established as the date at which title should accrue by relation."

To allow indefinite reservations of priority is to foster monopolies and monopolies are at variance with the fundamental principles of the appropriative doctrine (2 Kinney 1210, 2nd Ed.)

In the case of Wyoming v. Colorado, 42 Sup. Ct. Rep. 552, 567, 568 much work had been done and money expended between the years 1902 and 1909, nevertheless the Supreme Court of the United States said:

"It is manifest from this historical outline that the question of whether, and also how, this proposed appropriation should be made remained an oven one until the contract with the irrigation district was made and ratified in 1909. Up to that time the whole subject was at large. There was no lixed or definite plan. It was all in an inceptive and formative stage, -- investigations being almost constantly in progress to determine its feasibility and whether changes and alternatives should be adopted rather than the primary conception. It had not reached a point where there was a fixed and definite purpose to take it up and carry it through. An appropriation does not take priority by relation as of a time anterior to the existence of such a purpose.

"It no doubt is true that the original promoters intended all along to make a large appropriation from the Laramie by some means, provided the requisite capital could be obtained, but this is an altogether inadequate basis for applying the doctrine of relation.

"No separate appropriation was effected by what was done on the Upper Rawah Ditch. The purpose to use it in connection with the Skyline was not carried out but abandoned. This, as Link testified, was its 'principal' purpose. The purpose to make it an accessory of the large project was secondary and contingent. Therefore the work on it cannot be taken as affecting or tolling back the priority of that project.

"Actual work in making the tunnel diversion was begun as before shown, about the last of October 1909. Thereafter it was prosecuted with much diligence and in 1911, when this suit was brought,
it had been carried so nearly to a state of completion that the assumption reasonably may be inculged that, but for the suit, the appropriation soon would have been perfected. We conclude that the appropriation should be accorded a priority by relation as of the latter part of October, 1909, when the work was begun."

The above quotations are deemed illustrative of the proposition that the appropriative describe does not tolerate reservations of priority for the mere purpose of awaiting future contingencies or developments to determine whether or not they shall be utilized, in other words, it is fundamental that a priority by relation is allowable only wherein the initiation of that priority

has been diligently pursued by construction work and use of water or diligence has been excused by positive legal or physical inhibitions.

It is therefore concluded that good and sufficient cause has not been shown either to justify an extension of time to commence construction work or to excuse non-compliance with the terms of the permit under consideration.

### ORDER

A permit having heretofore been issued in approval of Application 3310 which allowed time within which to commence construction work and to complete construction work and use of water therein proposed, it appearing to the Division of Water Rights that permittee had failed to comply with the terms and conditions of the permit, a hearing having been held at which permittee was afforded an opportunity to show cause why the permit should not be revoked for failure to comply with the terms and conditions of the permit and the Division of Water Rights now being fully informed in the premises:

IT IS HEREBY ORDERED that said Permit 1980 heretofore issued upon Application 3310 be revoked and cancelled upon the records of the Division of Water Rights.

Dated at Sacramento, California, this third day of January 1928.

CHIEF OF DIVISION OF WATER RIGHTS